AMENDED IN SENATE AUGUST 18, 2015

AMENDED IN SENATE JULY 6, 2015

AMENDED IN ASSEMBLY MAY 18, 2015

AMENDED IN ASSEMBLY APRIL 30, 2015

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1390

Introduced by Assembly Members Alejo, Gomez, and Perea (Principal coauthors: Assembly Members Bigelow, Gray, Olsen, and Salas)

(Principal coauthors: Senators Cannella, Hueso, and Vidak)
(Coauthors: Assembly Members Cooley, Cooper, Eggman, Frazier,
Gallagher, Ridley-Thomas, Wilk, and Wood)
(Coauthors: Senators Fuller, Galgiani, and Nielsen)

February 27, 2015

An act to add Chapter 7 (commencing with Section 830) to Title 10 of Part 2 of the Code of Civil Procedure, relating to groundwater.

LEGISLATIVE COUNSEL'S DIGEST

AB 1390, as amended, Alejo. Groundwater: adjudication.

The California Constitution requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable. Under the Sustainable Groundwater Management Act, which applies to all groundwater basins in the state, all basins designated as high- or medium-priority basins by the Department of Water Resources as basins that are subject to critical conditions of overdraft, as specified,

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are required to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020.

This bill would establish special procedures for a comprehensive adjudication, which is defined as an action filed in superior court to comprehensively determine the rights to extract groundwater in a basin. The bill would authorize the court to determine all rights to groundwater in a basin whether based on appropriation, overlying right, or other basis of right. The bill would require these special procedures to govern all comprehensive adjudications except in cases not involving a comprehensive allocation of a basin's groundwater supply or cases that can be resolved among a limited number of parties and that do not involve a comprehensive determination of rights to extract groundwater within the basin.

This bill would require a complaint filed in an adjudication action to name certain defendants, including all general or special districts managing or replenishing groundwater resources in the basin in whole or in part, and to be served and published in a specified manner. The bill would require the complaint to be accompanied by a draft notice and draft form answer, as specified, and certain disclosures related to the plaintiff's groundwater use. The bill would require the court to hold a preliminary hearing within 180 days of the filing of the complaint to determine if the action should proceed to comprehensively determine rights to extract groundwater within the basin in accordance with the special procedures for comprehensive adjudications. If the court makes that determination, based on a finding that at least one of 4 specified conditions is met, the bill would require the court to issue an order declaring the case a comprehensive adjudication-and, authorizing the service of the landowners of the basin, and requiring the assessor or assessors of the county or counties in which the basin to be adjudicated lies to provide the plaintiff access to certain records. After the court order-authorizing service of the landowners of the basin, is issued, the bill would require the plaintiff to file an ex parte application seeking court approval of the draft notice and draft form answer filed with the complaint. If the court approves the draft notice and draft form answer, the bill would require the tax collector or tax collectors of the county or counties in which the basin to be adjudicated lies to include the court-approved notice and form answer with the next annual property tax bill sent to each landowner identified by the plaintiff, as specified. identify the assessor parcel numbers and physical addresses of all real property within the basin and the names and addresses of all holders

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of fee title to real property within the basin, as specified; mail the notice, complaint, and form answer to all holders of fee title to real property in the basin, as specified; and publish the notice in one or more newspapers of general circulation, as specified. The bill would require the plaintiff, and other parties as may be ordered by the court, to reimburse the tax collector or tax collectors for the costs of including the court-approved notice and form answer with the property tax bills and, after those materials have been included with the property tax bills, would require the plaintiff to file with the court a notice of the completion of the mailing, and within 60 days after service is authorized, to prepare and file a notice of the comprehensive adjudication in the office of the county recorder of each county overlying the basin in whole or in part. The bill, on the 60th day following completion of the mailing, as described above, would deem fulfillment of the service and publication provisions as effective service of process of the complaint and notice on all interested parties of the comprehensive adjudication for purposes of establishing in rem jurisdiction and the comprehensive effect of the comprehensive adjudication.

This bill would authorize the court to convene a case management conference at such time the court deems appropriate, after which the court could divide the comprehensive adjudication into phases' phases based on its own discretion or the motion of a party. The bill would require the court to define the scope of any phase of the comprehensive adjudication by written order. The bill would provide that the court's discretion is not limited in ordering as many phases as the court deems appropriate for the expeditious and appropriate resolution of competing claims to the groundwater basin. In a phase of a comprehensive adjudication, the bill would require discovery to be strictly limited to the scope of the phase and would authorize the court to issue a written statement of decision at the completion of each phase. In addition, the bill would require each party to make, under penalty of perjury, specified initial disclosures to all other named parties and a special master, if one has been assigned in the action, within 60 days after appearing in the comprehensive adjudication, except a plaintiff would be required to make the initial disclosures at the time it files the complaint. By expanding the scope of an existing crime, the bill would impose a state-mandated local program. The bill would authorize the court to appoint a special master in a comprehensive adjudication, who may be one or more individuals, to report on legal and factual issues designated under a specific order of reference. The bill would provide that the

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special master's duties could include, among other things, initiating a technical committee to conduct joint factfinding regarding the basin and would require the special master to compile a technical report of the findings, as specified. On or before January 1, 2017, the bill would require the Department of Water Resources to establish and maintain a list of individuals who may serve as special masters in comprehensive adjudications and would prescribe the experience needed for an individual to be placed on the list.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Chapter 7 (commencing with Section 830) is added to Title 10 of Part 2 of the Code of Civil Procedure, to read:

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Chapter 7. Actions Relating to Groundwater Rights

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Article 1. General Provisions

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830. (a) The Legislature finds and declares all of the following:

- (1) Diverse economic, environmental, and social interests are implicated by sustainable groundwater management.
- (2) Efficient resolution of conflicts concerning the right to use and manage groundwater will promote beneficial use of the waters of the state consistent with Section 2 of Article X of the California Constitution, the state water policies mandated in Chapter 1 (commencing with Section 100) of Division 1 of the Water Code, and as intended by the Sustainable Groundwater Management Act (Part 2.74 (commencing with Section 10720) of Division 6 of the Water Code).
- 19 (3) Previous comprehensive groundwater adjudication actions 20 have taken more than a decade before issuance of a final judgment 21 by the court *in* the action.

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(4) In light of the scope and complexities of comprehensive groundwater adjudication actions, the state's welfare will be promoted by the development of specially tailored legal procedures to efficiently process actions to comprehensively determine rights to extract groundwater in a basin.

- (b) It is the intent of the Legislature to do all of the following:
- (1) Develop procedures to provide a more efficient process to comprehensively adjudicate groundwater rights, while at the same time fully respecting established principles of water rights law and providing participants appropriate due process.
- (2) Establish procedures by which courts may conduct comprehensive determinations of rights to extract groundwater in a basin.
 - (3) Encourage early resolution of groundwater rights disputes.
- (4) Substantially reduce the time and expense of comprehensive groundwater adjudications, while ensuring fair procedures to protect all parties' rights to groundwater.
- (5) Ensure the judicial process is not used to unnecessarily delay or thwart the goal of managing groundwater in a sustainable manner.
- (6) Reduce the burdens placed on the judiciary under the current adjudication process.
- 830.5. For purposes of this chapter, the following definitions apply:
- (a) "Basin" means a groundwater basin or subbasin identified pursuant to Section 839.
- (b) "Bulletin 118" means the department's report entitled "California's Groundwater: Bulletin 118" updated in 2003, as it may be subsequently updated or revised.
- (c) "Complaint" means a complaint filed in superior court to determine rights to extract groundwater and includes any cross-complaint that initiates a comprehensive adjudication in response to a plaintiff's complaint or other cross-complaint.
- (d) "Comprehensive adjudication" means an action filed in superior court to comprehensively determine rights to extract groundwater in a basin.
 - (e) "Department" means the Department of Water Resources.
- (f) "Groundwater" means water beneath the surface of the earth within the zone below the water table in which the soil is

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completely saturated with water, but does not include water that flows in known and definite channels.

- (g) "Groundwater extraction facility" means a device or method for extracting groundwater from within a basin.
- (h) "Groundwater recharge" means the augmentation of groundwater, by natural or artificial means.
- (i) "Person" includes, but is not limited to, counties, local agencies, state agencies, federal agencies, tribes, business entities, and individuals.
- (j) "Plaintiff" means the person filing the complaint initiating a comprehensive adjudication and includes a cross-complainant who initiates a comprehensive adjudication by cross-complaint.
- (k) "Sustainable Groundwater Management Act" means the provisions of Part 2.74 (commencing with Section 10720) of Division 6 of the Water Code.
- 831. (a) Except as provided in subdivision (e), this chapter establishes special procedures for an action that would comprehensively determine rights to extract groundwater in a basin, whether based on appropriation, overlying right, or other basis of right. This chapter applies to an Indian tribe and the federal government, to the extent authorized by federal law. This chapter shall not alter groundwater rights or the law concerning groundwater rights. The other provisions of this code apply to procedures in a comprehensive adjudication to the extent they do not conflict with the provisions of this chapter.
- (b) The court's final judgment in a comprehensive adjudication, as to the right to groundwater of each party, may declare the priority, amount, purposes of use, extraction location, and place of use of the water, together with appropriate injunctive relief, subject to terms adopted by the court to implement a physical solution in the comprehensive adjudication.
- (c) The procedures of this chapter shall govern all comprehensive adjudications. If the court finds any one of the following, the action shall proceed in accordance with other provisions of law:
- (1) The action concerns only claims that the operation of a party's groundwater extraction facility is interfering with the physical availability of groundwater to one or more other parties' groundwater extraction facility or facilities and does not involve a comprehensive allocation of the basin's groundwater supply.

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(2) The action concerns only claims to extract, or to prevent interference with extractions of, a specific source of groundwater recharge and does not involve a comprehensive allocation of the basin's groundwater supply.

- (3) The action can be resolved among a limited number of parties and does not involve a comprehensive determination of rights to extract groundwater within the basin.
- (d) In implementing this chapter and applying the other provisions of this code in a comprehensive adjudication, the court should expedite resolution of the comprehensive adjudication and, where a groundwater sustainability plan is required pursuant to the Sustainable Groundwater Management Act, the court should encourage the parties to cooperatively develop a groundwater sustainability plan that may serve as the basis of a stipulated judgment setting forth a physical solution for management of the basin.
- (e) This chapter does not apply to the Antelope Valley Groundwater Cases (Judicial Council Coordination Proceedings No. 4408).

Article 2. Commencement of Action

- 832. (a) Unless a court orders otherwise for good cause, the complaint in a comprehensive adjudication shall name all of the following persons as defendants:
- (1) All general or special districts managing or replenishing groundwater resources in the basin in whole or in part.
- (2) The operator of a public water system that uses groundwater from the basin to supply water service.
- (3) The operator of a state small water system that uses groundwater from the basin to supply water service.
- (b) The complaint in a comprehensive adjudication shall identify all counties or cities that provide water service and overlie the basin in whole or in part.
- (c) Within 30 days of the filing of the complaint, both of the following shall occur:
- (1) The plaintiff shall serve the complaint on all persons named as defendants pursuant to subdivision (a) and all counties or cities identified in the complaint pursuant to subdivision (b) in the

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1 manner prescribed by Article 3 (commencing with Section 415.10)
2 of Chapter 4 of Title 5.

- (2) The plaintiff shall publish notice of the complaint pursuant to Section 6066 of the Government Code.
- (d) The court shall allow the following persons to intervene in the comprehensive adjudication:
- (1) A county or city identified in the complaint pursuant to subdivision (b). A county or city identified in the complaint pursuant to subdivision (b) that files an ex parte application shall give notice to the plaintiff consistent with the California Rules of Court.
- (2) A person demonstrating, upon an ex parte application, that that person holds fee simple ownership in a parcel in the basin. A person filing the ex parte application shall give notice to the plaintiff consistent with the California Rules of Court.
- 832.5. (a) Within 180 days of the filing of a complaint to adjudicate groundwater rights, the court shall conduct a preliminary hearing to determine if the action should proceed to comprehensively determine rights to extract groundwater within the basin in accordance with this chapter. At the preliminary hearing the court may hear expert or lay testimony and the plaintiff shall demonstrate one of the following:
- (1) There is substantial evidence that declining groundwater levels may cause an undesirable result in the basin.
- (2) The court cannot provide adequate relief among the potential claimants to a groundwater right in the basin subject to the comprehensive adjudication unless the comprehensive adjudication is completed.
- (3) Pursuant to Section 847, the parties have agreed to a proposed judgment in the comprehensive adjudication.
- (4) Consistent with Section 2 of Article X of the California Constitution, the interests of groundwater rights holders will be expeditiously and effectively served by the completion of the comprehensive adjudication.
- (b) If, after the preliminary hearing, the court finds that any condition described in paragraphs (1) to (4), inclusive, of subdivision (a) is met, the court shall issue an order-declaring that the case is a comprehensive adjudication subject to this chapter and authorizing service of landowners in accordance with Section 833. that does all of the following:

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(1) Declares that the case is a comprehensive adjudication subject to this chapter.

- (2) Authorizes service of landowners in accordance with Section 833.
- (3) Requires the assessor or assessors of the county or counties in which the basin to be adjudicated lies to provide the plaintiff with access to any records necessary to obtain the information required under Section 833.
- (c) If, after the preliminary hearing, the court finds that no condition described in paragraphs (1) to (4), inclusive, of subdivision (a) is met, the court shall either dismiss the action without prejudice, or find that the action is not subject to this chapter under Section 831 and permit the action to proceed pursuant to the other provisions of this code.
- (d) Before the preliminary hearing, the court may allow expedited discovery limited to the matters listed in paragraphs (1) to (4), inclusive, of subdivision (a). The court shall actively manage the expedited discovery to minimize the burdens on responding parties and to prevent delays—in order to enable, to the greatest extent possible and pursuant to Section 833, service of landowners through the next annual mailing of property tax bills within the basin. to the extent possible.
- 833. (a) At the same time as filing the complaint, the plaintiff shall lodge all of the following with the court:
- (1) (A) A draft notice titled "NOTICE OF COMMENCEMENT OF GROUNDWATER BASIN ADJUDICATION" in no less than 20-point font and the following text printed immediately below the draft notice title in no less than 14-point font:

"THIS NOTICE IS IMPORTANT. ANY RIGHTS YOU CLAIM TO PUMP OR STORE GROUNDWATER FROM THE BASIN IDENTIFIED IN THIS NOTICE MAY BE AFFECTED BY A LAWSUIT INITIATED BY THE COMPLAINT SUMMARIZED BELOW.

A copy of the complaint may be obtained by contacting the plaintiff or the plaintiff's attorney identified in this notice. If you claim rights to pump or store groundwater within the basin, either now or in the future, you may become a party to this lawsuit by filing an answer to the lawsuit on or before the deadline specified in this notice. You may file an answer by completing the attached form answer, filing it with the court indicated in this notice, and

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sending a copy of the form answer to the plaintiff or the plaintiff's attorney.

Failing to participate in this lawsuit could have a significant adverse effect on any right to pump or store groundwater that you may have. You may seek the advice of an attorney in relation to this lawsuit. Such attorney should be consulted promptly. A case management conference in this groundwater basin adjudication proceeding shall occur on the date specified in this notice. If you intend to participate in the groundwater adjudication proceeding to which this notice applies, you are advised to attend the initial case management conference in person or have an attorney represent you at the initial case management conference.

Participation requires the production of all information regarding your groundwater use. You must provide this information by the date identified in this notice.

A form answer is provided for your convenience. You may fill out the form answer and file it with the court. Should you choose to file the form answer, it will serve as an answer to all complaints and cross-complaints filed in this case."

- (B) The following information shall be provided immediately following the text described in subparagraph (A):
- (i) The name of the basin that is the subject of the comprehensive adjudication.
- (ii) A space to be completed with the case number assigned to the comprehensive adjudication, and the name and address of the court and department to which the action is assigned.
- (iii) The name, address, telephone number, and email address of the plaintiff, or plaintiff's attorney, from which the complaint may be obtained.
- (iv) A statement advising anyone claiming the right to use groundwater within the basin that he or she must file an answer with the court within $\frac{30}{90}$ days after service by mail, as provided for in this section.
- (v) A summary of the causes of action alleged in the complaint and the relief sought. The summary shall not exceed 25 lines.
- (2) (A) A draft form answer titled "ANSWER TO ADJUDICATION COMPLAINT" in no less than 20-point font and the following text printed immediately below the draft form answer title in no less than 14-point font:

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"The undersigned denies all material allegations in the complaint or cross-complaint in this action that seeks to adjudicate rights in the groundwater basin and asserts all applicable affirmative defenses to that complaint."

- (B) Notwithstanding any other law, the filing of an answer in the form described in subparagraph (A) in a comprehensive adjudication is sufficient to put at issue all material allegations and applicable affirmative defenses to the complaint in the comprehensive adjudication. If a party intends to seek adjustment of the basin's boundaries, it shall disclose that intention in the form answer described in subparagraph (A).
- (3) The initial disclosures required to be lodged by the plaintiff pursuant to Section 840.
- (b) Within 15 days of a court order authorizing service of landowners pursuant to subdivision (b) of Section 832.5, the plaintiff shall file an ex parte application that seeks the court's approval of plaintiff's draft notice and draft form answer filed pursuant to subdivision (a). The plaintiff shall provide notice of the ex parte application to all parties in accordance with the California Rules of Court regarding ex parte hearings. Notice may be provided electronically. The plaintiff's notice of the ex parte application shall include a copy of the draft notice and draft form answer filed pursuant to subdivision (a).
- (c) Once the court approves the draft notice, service of that notice in accordance with this section shall substitute for the summons otherwise provided for in civil actions pursuant to Section 412.20.
- (d) (1) Following a court order approving the notice and form answer and authorizing service of landowners pursuant to this section, the plaintiff—shall identify, as expeditiously as possible and using the records of the tax collector or tax collectors of the county or counties in which the basin to be adjudicated lies, the assessor parcel numbers of all real property within the basin and the names and addresses of all holders of fee title to real property within the basin. The plaintiff shall provide the court and all parties with notice of its acquisition of, or sufficient access to, this information. Upon receipt of the court order authorizing service of landowners pursuant to this section and the plaintiff's draft notice and draft form answer, as approved by an order of the court, the tax collector or tax collectors shall include the court-approved

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notice and form answer with the next annual property tax bill sent to each landowner identified by the plaintiff in accordance with this subdivision. The plaintiff, and other parties as may be ordered by the court, shall reimburse the tax collector or tax collectors for the costs of including the court-approved notice and form answer. The tax collector or tax collectors may appear at any court proceeding concerning the costs associated with including the court-approved notice and form answer with the property tax bills. The court may authorize alternative means of service in accordance with this subdivision, as it deems appropriate. shall do all of the *following:*

- (A) Identify the assessor parcel numbers and physical addresses of all real property within the basin and the names and addresses of all holders of fee title to real property within the basin using the records of the assessor or assessors of the county or counties in which the basin to be adjudicated lies. The plaintiff shall provide the court and all parties with notice of its acquisition of, or sufficient access to, this information.
- (B) Mail, by registered mail or certified mail, return receipt requested, the notice, complaint, and form answer to all holders of fee title to real property in the basin. If the physical address of the real property differs from the address of the holder of fee title, the notice, complaint, and form answer shall be mailed by registered or certified mail, return receipt requested, to the physical address of the real property and the address of the holder of fee title.
- (C) If return receipt is not received for a parcel of real property, the plaintiff shall post a copy of the notice, complaint, and form answer in a conspicuous place on the real property.
- (D) Within 20 days of the court order, publish the notice at least once per week for four consecutive weeks in one or more newspapers of general circulation in each county overlying the basin in whole or in part.
- (2) Service pursuant to this subdivision is not required if the real property is part of a class of water users that are otherwise noticed in accordance with this chapter.
- (e) After the tax collector or tax collectors include the court-approved notice and form answer with the property tax bills *Upon completion of the mailing* pursuant to subdivision (d), the

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plaintiff shall file with the court a notice of the completion of the mailing.

(f) Within 60 days after service is authorized, the plaintiff shall prepare and file a notice of the comprehensive adjudication in the office of the county recorder of each county overlying the basin in whole or in part. The notice shall be recorded in a manner so as to ensure that a person researching the title of a parcel will find the notice.

(f)

(g) Following a court order authorizing service of landowners pursuant to this section, the plaintiff shall serve any known person that pumps groundwater who would not otherwise be served pursuant to subdivision (d) of this section or noticed pursuant to paragraph (1) of subdivision (c) of Section 832. Service pursuant to this subdivision may be by personal delivery or by mail in the manner prescribed by Article 3 (commencing with Section 413.10) of Chapter 4 of Title 5.

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(h) Service on the United States shall be made in accordance with Section 666 of Title 43 of the United States Code.

(h)

(i) The court may authorize any other procedures it finds appropriate and necessary to provide notice to persons who may hold groundwater rights in the basin.

(i)

- (j) On the 60th day following completion of the mailing, as set forth in this section, and notwithstanding any other law, the fulfillment of the service provisions of this section, the publication provisions of paragraph (2) of subdivision (c) of Section 832, and the remaining service and notice provisions of this chapter shall be deemed effective service of process of the complaint and notice on all interested parties of the comprehensive adjudication for purposes of establishing in rem jurisdiction and the comprehensive effect of the comprehensive adjudication.
- (j) The tax collector or tax collectors shall notify the plaintiff and the court of any problems with carrying out his or her obligations under this section. If the tax collector or tax collectors complete the mailing based upon the best available information, neither a county, nor an officer or employee of a county, shall be liable for any injury caused by an act or omission in the

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interpretation or application of this section, including, without limitation, an injury arising from any defect in service arising out of a tax collector's or tax collectors' actions or omissions in providing the notice described in this section.

- (k) The court may require notice to be made available in languages other than English.
- (1) The plaintiff shall provide the draft notice, complaint, and draft form answer to the department. The department shall post the draft notice, complaint, and draft form answer on the department's Internet Web site within 15 days of receipt.
- (m) Section 389 shall not apply to a failure to join the United States or an Indian tribe to a comprehensive adjudication.
- 834. Within 15 days of the service of a complaint against or by a local agency in a comprehensive adjudication, the court may, and upon the motion of any party the court shall, request the chairperson of the Judicial Council to assign a judge from a neutral county to hear the comprehensive adjudication for all purposes. For purposes of this section, "local agency" has the same definition as that term is defined in subdivision (m) of Section 10721 of the Water Code.
- 835. In a comprehensive adjudication there may only be two disqualifications of judges pursuant to Section 170.6, and only one disqualification by each side. For purposes of this section, in a comprehensive adjudication the parties claiming overlying groundwater rights will be on one side of the action and the parties claiming appropriative groundwater rights will be on the other side of the action. A request or motion to disqualify a judge under Section 170.6 shall be filed after service is completed pursuant to Section 833 and within 30 days of a judge being assigned.
- 836. (a) An-A comprehensive adjudication is presumed to be a complex case within the meaning of Rule 3.400 of the California Rules of Court unless a party demonstrates that the comprehensive adjudication is not complex.
- (b) The presiding judge shall assign a comprehensive adjudication to one judge for all purposes.
- 837. Service of pleadings and papers in a comprehensive adjudication, other than the complaint initiating a comprehensive adjudication, shall occur electronically to the greatest extent possible. The court may provide, or authorize the use of, an electronic service system. If an electronic service system is not

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provided or authorized by the court, the court and the parties shall serve documents by email or other equivalent electronic means to the greatest extent possible. To enable electronic service of pleadings and papers, the attorneys of record or parties representing themselves shall include an email address for service in the captions of all pleadings they file in the comprehensive adjudication.

Article 3. Conduct of Action

- 838. (a) In managing a comprehensive adjudication the court may, notwithstanding any other law, convene a case management conference at such time the court deems appropriate.
- (b) After service is completed pursuant to Section 833 and a case management conference is held, the court may, based on its own discretion or the motion of a party, divide the comprehensive adjudication into phases. This section does not limit the court's discretion to order as many phases as the court deems appropriate for the expeditious and appropriate resolution of competing claims to the groundwater basin. The court shall define the scope of any phase of the comprehensive adjudication by written order and shall revisit that definition only upon a demonstration that continuing with the phase as previously defined would substantially impede the expeditious resolution of the comprehensive adjudication.
- (c) In a phase of a comprehensive adjudication, discovery shall be strictly limited to the scope of the phase, as defined in the court's written order. The court may make any appropriate orders to ensure that discovery during a phase remains within the scope of the phase and, unless an injustice would otherwise result, shall impose monetary sanctions on parties, attorneys, or both parties and attorneys, who, during the phase, propound discovery outside the scope of the phase.
- (d) Pursuant to Section 632, a court may issue a written statement of decision at the completion of each phase of the comprehensive adjudication. If the court issues a written statement of decision, that written statement of decision shall be considered a resolution of the phase and shall be binding for the remainder of the comprehensive adjudication unless reversed or modified by an appellate court. Appellate review of a court's written statement of decision that concludes a phase of the comprehensive

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 adjudication may be by writ only and a party may only appeal the court's final judgment.

- (e) A court may facilitate the formation of a class or classes of overlying groundwater rights holders pursuant to the criteria specified in Section 382.
- 839. (a) Subject to subdivision (b), the initial basin boundaries for a comprehensive adjudication shall be the basin boundaries identified in Bulletin 118 as of the date the complaint initiating the comprehensive adjudication is filed. The plaintiff shall use these boundaries in initiating the procedures to serve the complaint on landowners in a comprehensive adjudication in accordance with Section 833.
- (b) The court may consider adjusting a basin's boundaries at the initial phase of a comprehensive adjudication. The court may refer consideration of adjustment of a basin's boundaries to the department for recommendations in accordance with the procedures described in Section 10722.2 of the Water Code. The court may stay any proceedings in the comprehensive adjudication pending the department's resolution of any boundary adjustments. During the stay, the court may require the parties to make initial disclosures pursuant to Section 840.
- (c) If a court, following receipt of the department's recommendations, determines the basin's boundaries separately and before the trial of other issues in the comprehensive adjudication, the basin's boundaries as determined by the court shall be the basin's boundaries for all purposes in all subsequent phases of the comprehensive adjudication. Appellate review of a court's determination of the basin's boundaries may be by writ only and shall not be subject to any later writ or appeal.
- 840. (a) Except as otherwise stipulated by the parties or ordered by the court, and without waiting for a discovery request, a party shall provide to all other named parties and, if one has been assigned in the action, the special master, initial disclosures that include all of the following information:
- (1) The name, address, telephone number, and email address of the party completing a form developed pursuant to subdivision (b).
- 38 (2) The quantity of any groundwater extraction from the basin 39 by the party, or the party's representative or agent, during each of

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1 the 10 calendar years immediately preceding the filing of the 2 complaint.

(3) The claimed basis of the right to extract groundwater.

- (4) The beneficial purpose of any use of groundwater from the basin or the beneficial use of any alternative water use that the party claims as its use of groundwater.
- (5) The location of any extraction of groundwater from the basin by the party, or the party's representative or agent.
- (6) The location of any beneficial use of groundwater from the basin or beneficial use of any alternative water use that the party claims as its use of groundwater.
- (7) The quantity of any beneficial use of any alternative water use that the party claims as its use of groundwater under any applicable law, including, but not limited to, Section 1005.1, 1005.2, or 1005.4 of the Water Code.
- (8) Identification of all surface water rights and contracts that the party claims provides the basis for its water right claims in the comprehensive adjudication.
- (9) The quantity of any replenishment of water to the basin that augmented the basin's native water supply, resulting from the intentional storage of imported or non-native water in the basin, managed recharge of surface water, or return flows resulting from the use of imported water or non-native water on lands overlying the basin by the party, or the party's representative or agent, during each of the 10 calendar years immediately preceding the filing of the complaint.
- (10) The names, addresses, telephone numbers, and email addresses of all persons possessing information that supports the party's disclosures.
- (11) Any other information deemed appropriate by the court for initial disclosure in a comprehensive adjudication.
- (b) The Judicial Council may develop a form for initial disclosures made pursuant to subdivision (a) to facilitate the consistent, independent, impartial, and accessible administration of comprehensive adjudications. The Judicial Council may coordinate with the department in developing the form.
- (c) (1) Unless otherwise stipulated by the parties or ordered by the court, and not including the plaintiff that initiates the comprehensive adjudication, a party shall make the initial

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disclosures described in subdivision (a) within 60 days after appearing in the comprehensive adjudication.

- (2) A plaintiff that initiates a comprehensive adjudication shall make the initial disclosures described in subdivision (a) at the time it files the complaint by lodging the required information with the court in an electronic format. The plaintiff shall serve the required information on the defendants or cross-defendants that it names when it serves the complaint.
- (3) The court may order, after the initial case management conference, any supplemental disclosures, other than those described in subdivision (a), that may expedite resolution of the comprehensive adjudication.
- (d) Unless otherwise ordered by the court, a party that is first served, or otherwise joined to the comprehensive adjudication, after the initial case management conference shall make the disclosures described in subdivision (a) within 30 days after being served or joined, unless a different time is set by stipulation of the parties or an order of the court. The court shall liberally consider any motions or applications to extend the time for a newly-served or -joined party to make the disclosures described in subdivision (a).
- (e) A party shall make its initial disclosures based on the information then reasonably available to it. A party is not excused from making its initial disclosures because it has not fully investigated the case, because it challenges the sufficiency of another party's disclosures, or because another party has not made its disclosures.
- (f) A party that has made its initial disclosures, as described in subdivision (a), or that has responded to another party's discovery request, shall supplement or correct a disclosure or response in either of the following situations:
- (1) In a timely manner if the party learns that in some material respect the disclosure or response is incomplete or incorrect and the additional or corrective information has not otherwise been made known to the other parties during the disclosure or discovery process.
 - (2) As ordered by the court.
- (g) To the greatest extent possible, a party shall serve his or her initial disclosures electronically through an electronic service system, an electronic document repository, email, or another

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method of electronic transmission. If it is not possible for the party to serve his or her disclosures electronically, he or she shall serve the disclosures in an electronic format saved on a portable storage media device such as a compact disc or flash drive.

- (h) A party's obligations under this section may be enforced by a court on its own motion or the motion of a party pursuant to Section 2030.300.
- (i) A party's disclosures under this section shall be verified under penalty of perjury as being true and correct to the best of the party's knowledge.
- 841. (a) In addition to all other disclosures required by this chapter, a party shall disclose to the other parties the identity of any expert witness it may use at trial to present evidence. For purposes of this chapter, "expert witness" means a witness qualified pursuant to Section 720 of the Evidence Code.
- (b) Unless otherwise stipulated by the parties or ordered by the court, the disclosure made pursuant to subdivision (a) shall be accompanied by a written report prepared and signed by the expert witness if the witness is retained or specially employed by the party offering the expert witness to testify as an expert in the action, or if the expert witness's duties as the party's employee regularly involves giving expert testimony. The report shall include all of the following:
- (1) A complete statement of all opinions the witness will express and the basis and reasons for those opinions.
- (2) The facts or data considered by the witness in forming his or her opinions.
- (3) Any exhibits the witness will use to summarize or support his or her opinions.
- (4) The witness's qualifications, including a list of all publications authored by the witness in the previous 10 years.
- (5) A list of all other cases in which the witness testified as an expert at trial or by deposition in the last five years.
- (6) A statement of the compensation to be paid for the witness's work and testimony in the comprehensive adjudication.
- (c) If subdivision (b) does not apply to an expert witness because of a stipulation by the parties or an order of the court, the witness's disclosure shall include both of the following:
- 39 (1) The subject matter on which the witness is expected to 40 present evidence.

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(2) A summary of the witness's opinions, and the facts or data considered by the witness in forming his or her opinions.

- (d) Unless otherwise stipulated by the parties, a party shall make the disclosures of any expert witness it intends to present at trial, except for an expert witness presented solely for purposes of impeachment or rebuttal, at the times and in the sequence ordered by the court. If there is no stipulation or court order, the disclosures of an expert witness shall be made as follows:
- (1) At least 30 days after the court's entry of an order establishing the scope of the relevant phase of the comprehensive adjudication.
- (2) Except for a supplemental expert witness described in paragraph (3), at least 60 days before the date set for trial of the relevant phase of the comprehensive adjudication.
- (3) For a supplemental expert witness who will express an opinion on a subject to be covered by another expert witness designated by an adverse party that was not among the subjects covered by an expert witness initially disclosed by the party offering the supplemental expert witness, no more than 20 days after the initial expert witness disclosure date.
- (e) The court may modify the disclosure requirements of subdivisions (b) to (d), inclusive, for expert witnesses presented solely for purposes of impeachment or rebuttal. In modifying the disclosure requirements, the court shall adopt disclosure requirements that expedite the court's consideration of the issues presented and shall ensure that expert testimony presented solely for purposes of impeachment or rebuttal is strictly limited to the scope of the testimony that it intends to impeach or rebut.
- (f) (1) A party whose expert witness has made a disclosure pursuant to this section shall promptly supplement or correct the expert witness's disclosure in either of the following instances:
- (A) In a timely manner if the party learns that in some material respect the disclosure is incomplete or incorrect, if the additional or corrective information has not otherwise been made known to the other parties during the disclosure or discovery process.
 - (B) As ordered by the court.
- (2) A party's duty to supplement or correct its expert witness's disclosure includes the information included in the report and the information given during the expert witness's deposition. Unless otherwise stipulated by the parties or ordered by the court, any

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supplementation or correction shall occur at least 14 days before trial of the applicable phase of the comprehensive adjudication.

- (3) The court may authorize a supplemental deposition of an expert witness based on a supplemental disclosure made pursuant to this subdivision. The court shall appropriately condition the authorization of a supplemental deposition of an expert witness to ensure the expeditious completion of the applicable phase of the comprehensive adjudication. The court may require the party whose expert makes the supplemental disclosure to pay some or all of the costs associated with the supplemental deposition.
- (g) To the greatest extent possible, the parties shall serve expert witness disclosures electronically through an electronic service system, an electronic document repository, email, or another method of electronic transmission. If it is not possible for the party to serve his or her expert witness disclosures electronically, he or she shall serve the expert witness disclosures in an electronic format saved on a portable storage media device such as a compact disc or flash drive.
- (h) If a party or its expert witness fails to comply with this section, the court may exclude the expert witness's testimony from trial, authorize additional depositions of the expert witness at the party's expense, or take other appropriate action upon the noticed motion, or ex parte application, of a party.
- 842. (a) A court in comprehensive adjudication may require the parties in a comprehensive adjudication to submit written testimony of relevant witnesses in the forms of affidavits or declarations under penalty of perjury in lieu of presenting live testimony. The required written testimony may include, but is not limited to, expert witness opinions and testimony that authenticates documentary evidence. The court may order that the written testimony constitutes the entirety of the witness's direct testimony, require the written testimony to include any exhibits offered in support of the written testimony, and, in the case of written testimony of an expert witness, require a statement of the witness's qualifications.
- (b) If the court requires the submission of written testimony pursuant to subdivision (a), a complete copy of the direct testimony shall be served at least 21 days before trial of the applicable phase of the comprehensive adjudication. A complete copy of any rebuttal testimony shall be served no later than the first day of trial of the

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applicable phase of the comprehensive adjudication. The court shall ensure the rebuttal testimony is strictly limited to the scope of the direct testimony to which it responds.

- (c) If the contents of the written testimony would have been admissible if the witness testified orally, the written testimony shall be received by the court as a documentary exhibit if, at the trial of the applicable phase of the comprehensive adjudication, the witness whose written testimony is being offered is made available for cross-examination by all parties.
- 843. (a) In *a* comprehensive adjudication, the court may appoint a special master to report on legal and factual issues designated under a specific order of reference. A special master's duties may include the following:
- (1) Initiating a technical committee consisting of the parties, the parties' designated representatives, or both, to conduct joint factfinding as to the basin's safe yield of groundwater, water demand, and any other technical issues, as directed by the court. The special master shall compile a technical report of the findings in accordance with Section 844.
 - (2) Overseeing settlement discussions.
 - (3) Performing other tasks the court may deem appropriate.
- (b) The special master may be one or more individuals employed by the court as full-time or part-time employees, or retained as independent contractors. A special master's compensation and other expenses related to the conduct of a comprehensive adjudication shall be fixed by the court, apportioned pro rata to the extent reasonably feasible to do so, and paid by all parties unless the parties agree to another allocation or the court determines that, in the interests of justice, another allocation is necessary. The court may provide for the collection and disbursement of special master fees as it deems appropriate.
- (c) (1) To assist trial courts in selecting special masters the department shall, on or before January 1, 2017, establish and maintain a list of individuals who may serve as special masters in comprehensive adjudications. To be placed on the list, an individual shall have at least 10 years experience as either of the following:
- (A) A licensed professional engineer, professional hydrologist, or professional geologist.
 - (B) An attorney licensed to practice law in the state.

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(2) The department shall establish any other qualifications that may be appropriate to ensure that individuals placed on the list are qualified to assist a court in a comprehensive adjudication.

- 844. (a) If a technical committee is established pursuant to Section 843, the special master shall provide all parties with a copy of a draft technical report he or she prepares and a notice setting a day at least 60 days after the draft technical report has been provided to all parties before which the parties may submit to the special master written objections to the draft technical report.
- (b) An objection to the draft technical report shall identify the specific grounds and evidence on which the objection is based. Within 10 days after the close of the period for filing objections, the special master shall provide copies of the objections to all parties.
- (c) The special master may notice and hold hearings, as he or she deems appropriate, to gather information or address issues raised in the objections to the draft technical report.
- (d) The special master shall consider the objections to the draft technical report and develop a final certified copy of the technical report that shall be filed with the court, together with a certified copy of all evidence considered by the special master in preparing the draft technical report, all evidence identified in the objections to the draft technical report, and all evidence considered by the special master in preparing the final technical report.
- 845. Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code shall apply to all mediations, settlement conferences, and other similar out-of-court negotiations in comprehensive adjudications subject to this chapter.
- 846. (a) It is the policy of the state to encourage the compromise and settlement of comprehensive adjudications.
- (b) Upon the motion of any party to a comprehensive adjudication, a court may do any of the following:
- (1) Stay a comprehensive adjudication for a period of up to one year, subject to renewal in the court's discretion upon a showing of good cause, in order to facilitate any of the following:
- (A) (i) Timely development of a groundwater sustainability plan under the Sustainable Groundwater Management Act that may serve as the basis of a stipulated judgment setting forth a physical solution for management of the basin.

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(ii) If the court stays a comprehensive adjudication for purposes of facilitating timely progress on a groundwater sustainability plan, the court may direct the parties to provide the court with regular updates on the progress in developing the groundwater sustainability plan.

- (B) Technical studies that may be useful to the parties in developing a stipulated judgment or physical solution.
- (C) Voluntary mediation on all, or a portion of, the subject matters or legal questions identified in the comprehensive adjudication or any phase of the comprehensive adjudication.
- (D) Compromise and settlement of the comprehensive adjudication, a phase of the comprehensive adjudication, or any subject matter of the comprehensive adjudication or a phase of the comprehensive adjudication.
- (2) Schedule mandatory mediation and appointment of a neutral mediator concerning the comprehensive adjudication, a phase of the comprehensive adjudication, or any subject matter of the comprehensive adjudication or a phase of the comprehensive adjudication.
- (3) Schedule phases of trial in combination with mandatory mediation for purposes of fostering compromise concerning the comprehensive adjudication, a phase of the comprehensive adjudication, or any subject matter of the comprehensive adjudication or a phase of the comprehensive adjudication.
- (c) A stay may be extended for up to one year at a time. If a party opposes an extension of a stay, a stay may only be granted after a showing that there is good progress being made on the issues that were identified as the reasons for the stay and that no rights or interest would be impaired by the stay. The total time period a comprehensive adjudication may be stayed shall not exceed 5 years.
- (d) A stay pursuant to this section shall not stay, or otherwise delay, the parties' obligations to provide initial disclosures pursuant to Section 840 unless the court determines the initial disclosures will not benefit resolution of the comprehensive adjudication.
- 847. (a) A party or parties may submit a proposed stipulated judgment to the court. The court may impose any physical solution that is part of the stipulated judgment as a component of the final judgment in the comprehensive adjudication if the physical solution satisfies all of the following criteria:

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(1) It furthers the interests of the state in ensuring that the water resources of the state are put to beneficial use to the fullest extent that they are capable, as required by Section 2 of Article X of the California Constitution.

- (2) It is consistent with all water right priorities in the basin.
- (3) It treats all objecting parties equitably as compared to the stipulating parties.
- (b) A party may object to a stipulated judgment proposed pursuant to this section on the basis that it does not satisfy the criteria described in subdivision (a). The stipulated judgment may be in effect while any objections are being resolved.
- 848. (a) Before the court issues a final judgment in the comprehensive adjudication, a party may file a motion for an order determining that the judgment is consistent with the sustainability goal of the Sustainable Groundwater Management Act.
- (b) The For any basin required to develop a groundwater sustainability plan under the Sustainable Groundwater Management Act, the department may shall provide a report to the court evaluating if the judgment is consistent with the sustainability goal of the Sustainable Groundwater Management Act.
- (c) If the court determines that the judgment will achieve the sustainability goal for the basin established by the Sustainable Groundwater Management Act, the judgment shall be considered an alternative to a groundwater sustainability plan and shall be deemed to satisfy the objectives of the Sustainable Groundwater Management Act.
- (d) The court shall have sole jurisdiction to determine if the judgment complies with the Sustainable Groundwater Management Act.
- (e) The court may consider a motion made pursuant to subdivision (a) for a proposed judgment before the court enters the judgment.
- (f) For purposes of this section, "judgment" means a judgment, settlement, or other final order concluding proceedings in the comprehensive adjudication in the superior court.
- (g) Nothing in this section is intended to undermine the goals and outcomes of the Sustainable Groundwater Management Act to the extent water rights, as determined by the court, are not impaired.

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 849. The court may appoint a groundwater sustainability agency may be appointed by the court to serve as the watermaster in any judgment entered in a comprehensive adjudication.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.